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April 30, 2003

Mr. Jon Wegge  
Cognizant Technical Officer  
United States Agency for International Development  
c/o American Embassy  
Jl. Medan Merdeka Selatan 3-5  
Jakarta 10110, Indonesia

RE: Contract No. LAG-I-00-99-00036-00, Task Order No. 806  
UI Project 06967-008, Development of the Foundation for Local Government Innovation  
*Quarterly Task Order Progress and Cost Report, January to March 2003*

Dear Mr. Wegge:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, January to March 2003, Development of the Foundation for Local Government Innovation* as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Mr. Leroy Hollenbeck, Chief of Party at 62-21-390-2422 or leroy@clgi.or.id. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,

Maria C. Andrade-Stern

Enclosures

cc: Dale Gredler (CTO, USAID Washington)  
John Tabor (Resident Advisor, IPA)  
Leroy Hollenbeck (CoP, Chemonics International)  
USAID Development Clearinghouse  
IAC Deliverables File (06967-008)  
IAC Chron File

**QUARTERLY TASK  
ORDER PROGRESS  
AND COST REPORT**

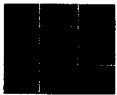
**JANUARY TO MARCH  
2003**

**DEVELOPMENT OF  
THE FOUNDATION  
FOR LOCAL  
GOVERNMENT  
INNOVATION  
(Indonesia)**

Prepared for



Development of the Foundation for Local Government Innovation  
U.S. Agency for International Development  
Contract No. LAG-I-00-99-00036-00, DO No. 806



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(YIPD/CLGI)

April 2003  
UI Project 06967-008



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Cost Report

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## QUARTERLY TASK ORDER PROGRESS AND COST REPORT

January to March 2003

### Development of the Foundation for Local Government Innovation (Indonesia)

**Task Order No.:** LAG-I-00-99-00036-00, DO No. 806

**Date of Issuance:** October 10, 2001

**Amount Obligated Under Task Order:** \$ 2,600,000

**Total Potential Task Order Amount:** \$ 5,546,216

**Dollars Expended To-date:** \$ 1,819,119

**Key Personnel:** Mr. LeRoy Hollenbeck, Chief of Party  
62-21-390-2422; 391-8704; [leroy@clgi.or.id](mailto:leroy@clgi.or.id)

#### Task Order Description

Under this three-year Task Order, an independent, non-profit Indonesian foundation (*yayasan*) is being established to support Indonesian Local Government Associations, and Indonesian local governments themselves, to gain access to expert advice, analysis, and services that assist them to improve their performance. The objective is to develop the foundation as a technical service organization that is a sustainable resource of ideas, concepts, and innovations on a broad range of local government issues and sectors. The foundation is to be "owned"<sup>1</sup> by local governments and their Associations for the purpose of contributing to Indonesia's decentralization program by enabling local governments to manage and provide services and resources effectively. It is expected that the foundation will offer expert advice and policy analysis for use by the Local Government Associations in programs of advocacy on behalf of local governments. It is also anticipated that the foundation will seek to become a respected and authoritative clearinghouse for information on local governments with extensive domestic and international links to other institutions that possess resources useful to local governments.

#### I. HIGHLIGHTS

This 6<sup>th</sup> Quarterly Task Order Progress and Cost Report<sup>2</sup> highlights major activities of the Quarter just completed. All activities are now geared toward transforming the Center for Local Government Innovation

<sup>1</sup> "Owned" is defined to mean that nominated local government officials and the Executive Directors of the Local Government Associations will participate as members on one of the three Foundation Boards in equal standing to other Board members.

<sup>2</sup> The 6<sup>th</sup> Quarter is also the 1st Quarter of 2003 and marks the halfway point in Project implementation, i.e., the 2<sup>nd</sup> Quarter of the Project's second year.



(referred to hereafter either as the Center or YIPD/CLGI<sup>3</sup>) into a sustainable organization in support of Indonesian decentralization. Approximately 17 months remain to ensure that financial and technical sustainability, and the Center's independence and self-sufficiency post-USAID support, can be achieved.

YIPD/CLGI continued to transition from a USAID-financed project to an institutional program run through a legally established Indonesian *yayasan*. What remains is to completely transfer program and administrative responsibility from the USAID contractors to the *Yayasan* prior to the end of the Project in August 2004.

The ordered departure of "non-essential/non-emergency" personnel remained in effect during the entire Quarter. Consequently, the Project was unable to bring short-term expatriate technical assistance to Indonesia. The Project's long-term national staff responded by continuing implementation of pilot activities and initiating new services while professional short-term national consultants assisted with time-sensitive components of the Project. In addition the Project's two long-term expatriate staff remained in country continuing implementation and management of key initiatives. As a result, YIPD/CLGI national and expatriate personnel made significant progress on a number of critical program activities.

Major highlights of the Quarter just ended include:

#### **1. Activation of YIPD/CLGI Boards**

The three boards of YIPD/CLGI (Trustees/*Pembina*; Directors/*Pengurus*; Auditors/*Pengawas*) held their first combined meeting during the Quarter. Demonstrating a professional approach at working with the implementation team, the Boards approved an annual work plan, which includes the creation of two commissions – (a) regional capacity building with sub-committees of institutional relationships and regional finance; and (b) developing policy advocacy through partnerships. The Chairperson of the Board of Directors stressed the importance of fully engaging the Local Government Associations in YIPD/CLGI activities. Since the establishment of the three YIPD/CLGI Boards, the Local Government Associations have become much more supportive of YIPD/CLGI initiatives and their relationship with the Center has greatly improved.

#### **2. Progress with Pilot Activities in Performance and Asset Management; Development of Change Management Initiatives.**

Performance management assistance continued for the City of Pontianak and substantial progress was made in measuring performance and in increasing the capacity of municipal personnel to measure and manage performance. The Solid Waste Management (SWM) Service was chosen for performance measurement and an implementation team was formed. Over 50 senior staff from all units of the City government received training in performance management methods. The training was delivered in two sessions by YIPD/CLGI staff and short-term consultants. The SWM team participated in the training and began work thereafter. It has designated a special zone for intensive measurement and improvement. A map of the zone and dumpsites has been prepared.

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<sup>3</sup>The Center for Local Government Innovation became a legally recognized Indonesian foundation during this Quarter. It is now referred to by its Indonesian name *Yayasan Inovasi Pemerintahan Daerah*, or YIPD.

Photographs have been made of all authorized and unauthorized dumpsites. YIPD/CLGI provided database software and training for recording performance data and generating reports. The initial measurement period began. Improvement efforts will follow and additional measurements will then confirm the gains. Also of significance is the willingness and ability of local governments to provide funding for all local costs associated with these pilot activities, an innovative approach adopted by YIPD/CLGI in securing local government participation and ownership of local initiatives.

The Center's Asset Management Division delivered its final report to Kabupaten of Sleman. The Bupati requested additional training in this subject for his staff.

The City of Pontianak requested YIPD/CLGI assistance in providing Change Management training for its personnel. The YIPD/CLGI Training Specialist is preparing the program in cooperation with the Indonesian firm Integre Quadro.

### **3. YIPD/CLGI Clearinghouse**

The technical testing phase of the YIPD/CLGI Web site was completed. Appropriate content is now being added. The formal launch of the Web site is scheduled for April/May 2003. The second edition of the YIPD/CLGI Newsletter (*Inovasi CLGI*) was published and the English translation of the first edition was completed and widely circulated. The third edition (April-June 2003) is in preparation.

### **4. Best Practices Standards**

The initial survey of best practices standards in use by YIPD/CLGI partner institutions was completed. Preparation of an overall best practices framework will be addressed during the next Quarter.

### **5. Mapping Study**

To accelerate the work of the Center's Local Government Evaluation Specialist, an assistant (short-term) was retained to obtain detailed information about local governments and their donor assistance as part of the YIPD/CLGI Local Government Mapping Study. The Evaluation Specialist continued to document characteristics and variables of city and kabupaten governments.

### **6. Delphi Forecasting Study**

The forecast of future conditions and events impacting local governments in Indonesia was initiated during the Quarter. A panel of 25 experts made the first round identification of issues, opportunities, and threats. The second round survey of importance and probability of each condition and event is being prepared.

### **7. Sourcing/Securing Non-USAID Funds**

YIPD/CLGI initiated a four-pronged approach at sourcing and securing long-term, non-USAID sources of funding in pursuit of financial sustainability. These are (a) requesting local governments



to budget, at a minimum, all local costs of activities proposed for and implemented in their respective areas; (b) soliciting international donor grants; (c) pursuing local, private sector contributions/contracts from companies with Indonesian operations; and (d) raising grant funds through a 501(c)(3) "sister" organization to be established in the U.S. Progress on two of these fronts (donor grants and funding under private sector partnerships) is described below.

- Through a C\$ 50,000 (US\$ 34,500) grant from the Government of Canada/Canadian International Development Agency (**CIDA**), Center staff prepared and disseminated request for proposals (RFPs) to 15 selected local governments on the island of Sulawesi. This innovative approach at initiating collaboration with local governments, in particular requesting local government counterpart funds, has proved challenging as only four of the 15 candidates submitted quality proposals prior to the initial deadline. However, it is expected more local governments will participate since the deadline was extended. YIPD/CLGI initiated follow up with some of the local governments with outstanding questions about RFP requirements and conditions.
- YIPD/CLGI staff implemented an **ExxonMobil**-financed diagnostic review of the human resources in Kabupaten Bojonegoro, East Java. The contract, valued at about US\$ 5,000, was completed on time with the final report submitted to company officials on 12 March. YIPD/CLGI expects follow on work will result from this first successful private sector collaboration.
- At the invitation of the company, YIPD/CLGI staff visited the operations of PT. Kaltim Prima Coal (**KPC**) in Kabupaten Kutai Timur, East Kalimantan. A proposal is currently being prepared and will be submitted to the President Director of KPC on/or about 24 April. The value of the proposed intervention is still under discussion.
- YIPD/CLGI submitted a proposal to **British Petroleum (BP)** for implementation of local government capacity building initiatives in Papua under the umbrella of the Bird's Head Alliance (GDA). BP stated they have a budget of about US\$ 75,000 for use through the rest of 2003. This activity, in collaboration with the University of Papua in Manokwari, Papua, is expected to begin on/or about 1 June 2003.
- Finally, YIPD/CLGI entered into a partnership with Citizens International, a D.C.-based firm, and collaborated on three proposals: (a) to USAID's Global Development Alliance (GDA) seeking cooperative funding for an initiative with **Freeport** in Papua; total value of this initiative is US\$ 2.25 million over a three year period; (b) to **Gulf-ConocoPhillips** for a two-week review of their Indonesian community development and government relations activities; the contract is valued at US\$ 47,500; (c) to **Talisman Energy** for a one-week assessment of their Indonesian operations; the contract is valued at US \$50,000.

## **II. PROGRESS OF MAJOR ACTIVITIES**

The YIPD/CLGI Team made significant progress during the Project's 6<sup>th</sup> Quarter. A detailed description of the Project's major activities according to their respective tasks as articulated in the approved YIPD/CLGI Year 2 Work Plan is provided below.

### **Task 1. General Program Support Activities**

- USAID approved the YIPD/CLGI Year 2 Work Plan.
- Miscellaneous furniture and equipment purchases for YIPD/CLGI continued to wind down during this Quarter. For current details, please see the YIPD/CLGI inventory list attachment at the end of this report.

### **Task 2. Foundation Development**

#### Staffing/Recruitment

- During a combined meeting of the three YIPD/CLGI Boards, the Board of Trustees recommended that recruitment of the Center's national Executive Director be delayed until August/September 2003. YIPD/CLGI staff will continue their individual, internal search for qualified individuals. However, the Trustees suggested additional candidates for this key position should be sought through a public announcement in local newspapers. An advertisement will be placed during May/June 2003 allowing sufficient time for recruitment of the national Executive Director by the deadline imposed by the Trustees.
- Mr. Prima Setiawan, the short-term Local Government Financial Policy Specialist working under a seven-month purchase order through DLG/USAID, completed his assignment by preparing a primer on financing regional capital expenditures. This primer will be published and disseminated through collaboration between YIPD/CLGI and the Local Government Associations.
- The long-term Decentralization Policy Analyst, funded under the new USAID Decentralization Policy Initiative, started his 17-month assignment working out of the Center. A joint meeting was held with representatives from the other USAID project – Managing Basic Education Project -- that will place one of their advisors at the Center. No determination was made on when their long-term Education Specialist will begin working out of the YIPD/CLGI office.

#### Organizational Development

- Some of the Jakarta-based YIPD/CLGI Board members met at the YIPD/CLGI Office to go over their 2003 work plan. As sitting members, the Local Government Association Executive Directors reviewed the various activities proposed for the four newly formed





committees/sub-committees. A brief discussion focused on fund raising to ensure the various committees are financially self-sufficient without having to rely on long-term financing from the USAID budget for implementation of their activities.

- The Center's Organizational Development (OD) Plan for Year 2 was incorporated into the Year 2 Work Plan.

#### Networking/Internal Institutional Strengthening

##### Atma Jaya University (UAJY)

- Atma Jaya University invited YIPD/CLGI's Local Government Financial Management Specialist as a guest lecture for its post-graduate programs speaking on "Experiences in Property Asset Management for Local Governments in Indonesia". Attendees were both students and lecturers from post-graduate programs in construction management, business management, and business law.

##### Bandung Institute of Governance Studies (BIGS)

- The Bandung Institute of Governance Studies invited YIPD/CLGI to send articles for its publication called "*Bujet*". YIPD/CLGI's Local Government Financial Management Specialist submitted two articles, the first on property asset management and the second on the need to approach local government management like a company's Chief Financial Officer (CFO). The property asset management paper was first published in the FIKB magazine; permission to re-publish in BIGS's magazine was granted by the FIKB editor.

##### Center for Regional Studies and Information (PATTIRO)

- YIPD/CLGI staff met with representatives from PATTIRO (*Pusat Telaah dan Informasi Regional* – Center for Regional Studies and Information). PATTIRO, an NGO started in 1999 to facilitate community fora in nine cities in Java, has been marginally successful in crystallizing real community needs that are then communicated to local governments. Because PATTIRO experienced difficulties in approaching the local governments, they asked if YIPD/CLGI had activities/programs in some of their nine cities that could be linked with PATTIRO. YIPD/CLGI staff presented an overview of the Center and its current and future activities. Although none of the YIPD/CLGI locations matched PATTIRO's (Serang, Tangerang, Bandung, Semarang, Pekalongan, Solo, Surabaya, Gresik, Malang), PATTIRO will continue to update YIPD/CLGI on their activities hoping future collaboration may be developed between the two institutions.

##### CityNet

- YIPD/CLGI hosted a meeting with CityNet's Program Officer, Ms. Bernadia Irawati Tjandradewi. Discussed were CityNet and YIPD/CLGI's various programs and how

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YIPD/CLGI might be able to assist Indonesian local governments, through the Local Government Associations, to become more active in CityNet activities.

#### GTZ

- YIPD/CLGI staff attended the GTZ-SfGG (Support for Good Governance) monitoring and evaluation workshop held at the MenPan Office in Jakarta. Because Phase I of this Project just finished, GTZ wanted to meet with various stakeholders and receive input into planning their next phase of the Project. YIPD/CLGI made a presentation focusing on a description of the Center's activities, in particular those related to best practices and good local governance.

#### Ikatan Wanita Pengusaha Indonesia (IWAPI)/Indonesian Association of Businesswomen

- YIPD/CLGI continued to explore ways of working in partnership with IWAPI in increasing women's productivity in the regions that will contribute to local economic development. In this regard, YIPD/CLGI staff met with Mrs. Rieny Ariono MSc, IWAPI's Education Director to discuss collaboration possibilities in more detail.

#### Indonesian Center for Women in Politics (ICWIP)

- YIPD/CLGI, in collaboration with ICWIP, MOHA, and the Ministry of Women Empowerment, developed a proposal to disseminate the Making Governance Gender Responsive concept to decision makers in the government with possible funding from the Partnership for Governance Reform in Indonesia. (A more detailed description can be found under the MOHA and Training Services headings below).

#### Indonesian Partnership on Local Governance Initiatives (IPGI)

- YIPD/CLGI hosted Mr. Juni Thamrin, the Secretary General of IPGI. Discussed was IPGI's plan to facilitate the Kelurahan Forum in Indramayu 24-26 February. IPGI was looking for possible funding from YIPD/CLGI but was satisfied with the Center's commitment to participate as an observer and agreement to sponsor the Bupati of Sleman as a guest speaker in the forum to give Forum participants a kabupaten perspective. YIPD/CLGI's Training Specialist and Local Government Financial Management Specialist then participated in IPGI's VilGoNet (Village Governance Interlocking Network) II workshop in Indramayu. The objective of the Forum was to build awareness among village officials and councilors regarding the need for village governance associations and to identify mechanisms/models for an effective and sustainable village governance association. The Bupati of Sleman, Mr. Ibnu Subiyanto, shared his experiences in mobilizing desa resources - his concept of "ekonomi kerakyatan" – through presentation of a paper entitled "Participation-based Economic Development Policy in Sleman Regency." The Bupati spoke on the same panel as the Kepala Desa of Indramayu, who, with IPGI staff, went to the Philippines and observed some of their village governments in action. Both presentations were positive examples that could be used as models for Indonesia.



### Institute for Housing and Urban Development Studies (IHS)

- YIPD/CLGI and IHS continued exploring joint training activities. Objectives for this collaborative training are to enrich the training materials and to broaden YIPD/CLGI's network/exposure to local governments. (See a more detailed description under the Training Services heading below).
- YIPD/CLGI staff participated in a meeting with IHS consultant Mr. Florian Steinberg to compare methods for measuring performance of local governments.

### Institutional Development Advisory (BANGGAPURI)

- YIPD/CLGI staff continued to explore developing a working relationship with BANGGAPURI. YIPD/CLGI and BANGGAPURI agreed to develop a potential program on monitoring and evaluation instruments for local governments.

### Japanese International Cooperation Agency (JICA)

- YIPD/CLGI attended a presentation of a JICA-financed Fiscal Decentralization Study undertaken by LPEM-FEUI. Regions covered within the study were kabupaten and cities (*kota*) in Kalimantan and Sulawesi. Topics included revenue and expense composition and trends, and the budgeting process.

### Local Government and Public Service Reform Initiative (LGI)

- YIPD/CLGI hosted a team from the Hungarian-based Local Government and Public Service Reform Initiative (LGI). On a referral from Mr. Arlen Pakpahan, Ministry of Finance, Mr. Kenneth Davey and Mr. Adrian Ionescu of LGI, and Mr. Henry Siahaan from Tifa, LGI's local partner, met with YIPD/CLGI staff to explore a possible partnership in Indonesia focusing on governance issues. LGI, a recipient of George Soros Foundation funding, has traditionally concentrated its activities in Eastern Europe, only recently making in-roads into Asia, including Indonesia. LGI is looking for other Indonesian partners to assist them with researching local governance issues in Indonesia and expressed an interest in YIPD/CLGI's best practices activities and the possibility of promoting and disseminating best practices through LGI's on-line system (LOGIN program).

### Ministry of Home Affairs (MOHA) and Ministry of Women Empowerment (MWE)

- YIPD/CLGI, in collaboration with ICWIP and the Partnership for Governance Reform in Indonesia, formed the Country Training Team (CTT) for gender responsive governance. The Team was met Mr. Hakamudin Djamil, Expert Staff of the MOHA Planning Bureau and Mr. Yusuf, Deputy on Gender Mainstreaming in MWE.

- YIPD/CLGI staff attended the Ministry of Home Affairs (MOHA) presentation on "Evaluasi Implementasi Otonomi Daerah", an evaluation of implementation of regional autonomy since January 2001 according to the two key decentralization laws, 22/1999 and 25/1999. Two studies were undertaken, one by MOHA, with the assistance of Sudirman University, and the other by faculty of the University of Gadjra Mada (UGM). The MOHA study indicated that local officials were satisfied with existing legislation and support for local autonomy, while the UGM study found that there was substantial evidence that changes were needed. MOHA officials were seeking input from the government, the private sector, the Local Government Associations, and YIPD/CLGI prior to finalizing their report. YIPD/CLGI participation provided an opportunity to introduce the Center's new Decentralization Policy Analyst to senior Ministry of Home Affairs officials and to express the Center's desire to more closely collaborate with the Ministry and its Directorate of Regional Autonomy on current issues of concern.
- YIPD/CLGI was invited to participate in MOHA's workshop "Model Building of Obligatory Functions and Minimum Services Standards for Local Governments" in Mataram, NTB.

#### PACT/Project DINAMIS

- YIPD/CLGI was invited to attend PACT's final seminar on best practices developed through their DINAMIS program with activities in Kabupaten Bulukumba, South Sulawesi. The program has come to a close and Project advisors presented to interested stakeholders a summary of their successfully implemented program. Kabupaten government officials had previously contacted YIPD/CLGI asking if it would be interested in continuing support to the kabupaten post-DINAMIS. A decision is still pending, especially in light of the CIDA-financed Center activities being implemented in Sulawesi.

#### Partnership for Governance Reform in Indonesia

- YIPD/CLGI met with Mr. Keith Morgan, Team Leader at the Partnership, to explore their sponsorship for YIPD/CLGI's best practices and mapping programs.

#### University of Indonesia/FIKB

- YIPD/CLGI representatives participated in FIKB Roundtable Discussion on "Desa Independence" held at Ford Foundation Office. The Round Table discussion was intended to develop ideas for article topics in the Mar-May '03 edition of the FIKB magazine.

#### Urban and Regional Development Institute (URDI)

- The Center's Local Government Management Specialist attended the first URDI-sponsored "brainstorming" to discuss possible next steps as a follow-up to the Local Government Forum (LGF) held at the Bali PrepCom IV meeting<sup>4</sup> in June '02. Participants at the brainstorming agreed to formulate an action plan addressing local government

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<sup>4</sup> PrepCom IV was the final in a series of meetings leading to the World Summit on Sustainable Development (WSSD) in Johannesburg.



management systems and to hold a series of regional local governance fora/seminars/workshops during 2003. The first forum is scheduled in Batam (May), followed by Jakarta (June) and finally Makassar (October). Participants also agreed to hold three provincial good local governance workshops during 2003 in Medan, North Sumatra; Surabaya, East Java; and Mataram, NTB. YIPD/CLGI hosted the second brainstorming to carry the action plan to its next phase. One proposal discussed was to combine LGF meetings with APKASI's annual meeting in June and APEKSI's annual meeting in August.

## USAID

- YIPD/CLGI received a copy of the PADCO-LPEM-GSU Decentralization Policy Initiative Work Plan and provided input regarding themes for their technical studies and a suggestion for local flavor of the technical study results. Technical papers to be produced are expected to be different from the global decentralization models that have been published in various World Bank and/or university Web sites.
- At the request of USAID's DLG Office, YIPD/CLGI staff presented a mid-term Project update to USAID personnel. In attendance were the Mission Director, the Deputy Mission Director and a mix of about fifteen expatriate and national staff. The presentation was very thorough and professional with the YIPD/CLGI staff describing the past, present and future of *Yayasan Inovasi Pemerintahan Daerah/CLGI* and its various activities. Of note was USAID's positive response about the significant progress that had been made since Project inception mid-October 2001 and encouragement about the prospects for the *Yayasan's* financial sustainability, YIPD/CLGI's successful marketing efforts with CIDA and ExxonMobil, and the proposed partnership between Citizens International and YIPD/CLGI working with Freeport in Papua.

## Virtual Human Resources Solutions (now called MaX – Management of Excellence)

- YIPD/CLGI hosted Ms. Maggy Horhoruw from Jakarta, and Mr. Vincent Siau, Dr. Chia Ho Beng, and Mr. Chua Chong Hock from Virtual HR Solutions, Singapore, to discuss possible collaboration. Virtual HR Solutions brings theoretical and practical expertise on developing human capital in organizations. Dr. Chia Ho Beng is an Assistant Professor at the National University of Singapore. In looking at local governments, Virtual HR Solutions would like to translate Singapore's experience of being an indifferent government to now being very customer-oriented.

## World Bank

- YIPD/CLGI hosted a visit by consultants to the World Bank from the Institute of Public Administration, New York, a member of the DFLGI Project contractor consortium. The consultants, Dr. Yoshihiro Asano and Dr. Reiko Habe, were briefed on YIPD/CLGI's work with local governments in general, and with Kabupaten of Sleman in particular, since Dr. Habe was to provide technical assistance in urban planning to the Province of Yogyakarta.

(Kabupaten Sleman is part of Yogya province). Dr. Asano was also interested in the Center's work in Pontianak, since he would be working in a number of Kalimantan cities.

### Miscellaneous

- YIPD/CLGI's Local Government Management Specialist met with Mr. Sebastian Eckardt, a PhD candidate from the University of Potsdam, Germany. Mr. Eckardt is requesting assistance from YIPD/CLGI during his field research activities schedule from May through October 2003 including (a) use of YIPD/CLGI network of local governments; (b) office space including telephone and internet; (c) references, books and other sources of information; and (d) assistance with visa processing by providing an invitation/sponsor letter as a visiting researcher for YIPD/CLGI. The Center, in considering this request, is currently in negotiations with Mr. Eckardt.
- As part of the USINDO-SAIS-Freeman internship program, YIPD/CLGI agreed to provide support to one of the program's interns, Ms. Ella Roderick-Jones. YIPD/CLGI, as the host organization, will facilitate Ms. Roderick-Jones as she conducts her study of public-private partnerships which aim to make improvements in one of two key policy areas: 1) public service provision and infrastructure development, or 2) municipal financial and resource management. The study would explore the relative success of a "model municipality" in its experiment with public-private collaboration when designing and implementing programs in response to decentralization restructuring. Collaborative partnerships between the public and private sector in a "model municipality" may demonstrate unforeseen success in dealing with complex problems faced by local governments throughout Indonesia. Learning of their success would contribute to the body of "best practices" knowledge being gathered and disseminated by YIPD/CLGI and how the program might be replicated in other districts and/or cities.
- YIPD/CLGI is exploring hosting as an intern Ms. Karrie McLaughlin, presently pursuing a Masters of Public Administration in International Development at Harvard University. Relevant material on YIPD/CLGI was sent to her; the Center is waiting for a response.

### **Task 3. Products and Services**

#### Performance Measurement/Management

Performance management activities continued their focus on improving public services performance through development of Service Improvement Action Plans (SIAP) in selected pilot locations. Training and technical assistance in Performance Management have begun to have observable results.

City of Pontianak, West Kalimantan

- The YIPD/CLGI Performance Management Team conducted its second and third performance training in Pontianak mid-January 2003. The training included additional



exercises based on the results of previous training activities for the Pontianak working groups. Sixty-eight staff of echelon III and IV of the agencies in the local government of Pontianak attended the training. Local training costs were fully funded by the local government of Pontianak; YIPD/CLGI provided and financed the trainers. YIPD/CLGI staff briefed managers of the participants who completed the performance management training. A visit was paid to a *Puskesmas* where a demonstration was given of the reporting system, including a computer-based report that tracks patient visits.

- YIPD/CLGI's training programs in performance management in January '03 were quickly followed by the Mayor's selection of the Solid Waste Management (SWM) Service to be the first unit to install a performance management system. The YIPD/CLGI Director of Technical Services recommended that a new team be formed for this purpose. The previous teams, formed during the initial system design period, were interdepartmental in composition. A broad perspective on the nature of performance by each team was thus assured. However, an intradepartmental team was needed for implementation. The new team attended the next training program given by YIPD/CLGI and immediately began preparations for performance measurement and improvement. The Director of Planning for the SWM Service became the team leader. He had previously done most of the work in design of the proposed system. A zone in the center of the City was chosen for a pilot project. The zone was mapped and all authorized and unauthorized temporary dumpsites were identified on the map. Photographs were taken of each dumpsite to establish a baseline of the cleanliness of the zone. The photographs showed considerable litter and unauthorized dumping.
- YIPD/CLGI engaged an information systems consultant to design a database for managing performance data. He started preparations for installation of the database and training of SWM staff to operate it in early April. The YIPD/CLGI team then visited the SWM offices to see their computer installation. The planning unit has two Pentium II PCs and the main office has a brand new PC with WAN connection via an antenna for communication with the Infocom Office in City Hall and with the Internet. There were also two older PCs that were used for accounting and word processing. The newest PC does not yet have software, but one other PC has Microsoft Office and other programs for preparing reports and editing photographs. There is also a printer but no modem or connection to the WAN. The latter seems to be the only equipment that needs to be purchased to enable the performance management system to be fully effective.
- YIPD/CLGI's Director of Technical Services arranged with the Madanika Foundation to complete the data tabulation for each kecamatan in the household survey and to write the final report for completion of its assignment. The Foundation submitted its report and delivered the survey questionnaires to YIPD/CLGI for possible additional analysis.
- The Mayor of Pontianak and the Executive Director of YIPD/CLGI signed an amendment to the Cooperation Agreement between the two organizations to allow additional time to complete assistance activities that were contained in the original agreement signed in May 2002. The amendment will remain in force through 31 August 2003.

#### Kabupaten Sleman, Central Java

- YIPD/CLGI's Local Government Management Specialist discussed with the local partner, Satunama Foundation, the draft results of the recently concluded YIPD/CLGI-sponsored multi-service household survey related to development of performance management indicators for several public services in Kabupaten Sleman and assisted them in completing the final report. Satunama Foundation then submitted its final reports on the focus group discussion and the household survey completing its work for the performance management effort in Kabupaten Sleman. The reports are now being translated into English to be reviewed by UI expert Harry Hatry.
- YIPD/CLGI's Local Government Management Specialist continued assistance to the performance management working groups in Sleman with their Service Improvement Action Plan (SIAP) report and data source system.

#### Kabupaten Bangli, Bali

- After waiting for a response from the kabupaten government to continue the performance management activities in Bangli, the Center's Local Government Management Specialist re-opened discussion with the Bappeda Office in Kabupaten Bangli, Bali. He requested information on the status of any follow-up action after the initial YIPD/CLGI training provided to Bangli officials last December. The head of Bappeda mentioned that the 2003 budget allocation is still being debated in the local parliament. However, it is quite certain a second, follow-up activity will occur in June of this year with a focus on education and health issues.

### Asset Management

#### Kabupaten Sleman, Central Java

- The YIPD/CLGI Local Government Financial Management Specialist completed the Center's asset management study in Kabupaten Sleman and presented it to the Bupati and senior staff. In subsequent discussions, the Bupati requested additional training for his staff and allocated funds to defray the training expenses of the Kabupaten. YIPD/CLGI's Executive Director agreed to support Sleman with the additional training. Kabupaten Sleman has budgeted Rp 24.0 million as its local contribution.

#### City of Manado, North Sulawesi

- Phase I of YIPD/CLGI's asset management initiative came to a close in November 2002 and, despite the DPRD's interest for a follow on activity, the Center is still waiting to receive a letter of commitment from both executive and legislative branches of the Manado City government. YIPD/CLGI periodically corresponds with Manado local government officials to determine whether a follow-up is going to be forthcoming or not.





## Change Management

### City of Pontianak, West Kalimantan

- In a discussion between YIPD/CLGI staff and the Mayor of Pontianak, the Mayor suggested that the city's local government officials needed to have a different frame of thinking that will encourage divisions to work more as a unit rather than independently, that change is needed to make their organization successful. Therefore, YIPD/CLGI in collaboration with Integre Quadro submitted a Change Management Training proposal to the City of Pontianak. In line with YIPD/CLGI policy, Pontianak was asked to bear all the training costs for this activity. The mayor approved the proposal at the end of February and it was then sent to the BKD (Training & Development Division) of Pontianak.
- YIPD/CLGI staff then met in Jakarta with Mr. Razani, head of BKD Pontianak. It was revealed that the local budget allocated for the upcoming change management training is much lower than what YIPD/CLGI proposed. BKD requested more time to prepare a new budget and get it approved. YIPD/CLGI suggested that since BKD will be requesting a new budget, they should take a look at the organizational survey proposed by the Center so that Change Management training can be based on more solid data. During the meeting, Mr. Razani inquired if YIPD/CLGI provides a job analysis (Human Resource Planning) service, so that the local government can see what jobs/division are actually needed and which jobs are not essential (related to PP 8/2003). Center staff assured him this type of analysis is possible.

## Marketing Sustainability – Strengthening Local Government Capacity

- **Kabupaten East Lombok, NTB** – YIPD/CLGI initiated discussions with Mr. Ardi Ibrahim, Chairman, and Saswadi Thamrin, Program Manager, of **Yayasan Dinamika Pembangunan Masyarakat (YDPM)**; and Mr. M. Yamin, Secretary of Research and Development (DIKLAT) and Mr Muhasim, Chief of Organization Unit (Kabag Organisasi) Kabupaten Lombok Timur, NTB, who expressed an interest in receiving technical assistance on organizational/institutional analysis. YDPM, based in Selong, the Kabupaten Capital of Lombok Timur, was established in 1988 and has worked with national as well as international organizations including CUSO Indonesia, The Asia Foundation, Path Indonesia, Helen Keller International Indonesia, Save the Children, Wetland Indonesia, and the World Bank. They are now completing a project called “Strengthening Village Government Institutions (BPD)” funded by the Partnership for Government Reform in Indonesia. It was agreed YDPM would participate as YIPD/CLGI's local facilitator for this study, Institutional Analysis of Kabupaten Lombok Timur, NTB. The Lombok Timur local government recently allocated Rp 70.0 million in their 2003 budget for Phase I of this activity and is expected to increase funding for Phase II.
- **The Province of North Moluccas** – YIPD/CLGI continued to explore a collaborative working relationship with the new province of Maluku Utara. YIPD/CLGI staff and the

Chairman of local parliament (DPRD), Mr. Syaiful, met several times and discussed a partnership, focusing on local government management issues and assistance to the newly created local investment board. In support of his program, YIPD/CLGI proposed Mr. Syaiful as a candidate to join the USAID-funded National Conference of State Legislatures Study Tour to Washington, D.C. and New York in July of this year.

In an effort to expand its private sector partnership base, YIPD/CLGI hosted a team from **APCO** (an international communications/consulting firm). Mr. Hans Vriens, Ms. Tursiana Setyohapsari, Mr. Leonardo Martinez, Mr. Ananta Gondomono and Mr. Affan Alamudi talked with YIPD/CLGI staff and explored possible collaboration. After an exchange of briefings on each institution's competencies, it was decided to select Maluku Utara as a pilot area for collaborative activities.

- **Kabupaten Sleman, Central Java** – YIPD/CLGI hosted the Bupati of Sleman, Mr. Ibnu Subianto, to review the status of the Center's performance management and asset management innovation projects and the actions needed to complete them. The Bupati promised to give the necessary instructions to his staff. To facilitate this, it was agreed that the MOU between Sleman and YIPD/CLGI, which ended 31 December 2002, would be extended through 30 April 2003.
- **Kabupaten Morowali, Central Sulawesi** – Representatives from this new kabupaten in Central Sulawesi came to YIPD/CLGI seeking assistance in developing local government capacity. YIPD/CLGI provided the Morowali visitors with the CIDA-YIPD/CLGI RFP (Request For Proposal) and invited them to respond to the RFP and to set up a meeting with Kabupaten representatives in April.
- **Kabupaten Bangli, Bali** – Because participants expressed significant interest after the YIPD/CLGI performance management training in Bangli, Bali, in December 2002 yet the Center had yet to receive a follow-up request for additional training, YIPD/CLGI's Local Government Management Specialist took a pro-active approach and contacted Bangli local government officials. It was reported the local government has prepared a budget covering local costs for a follow-up training in performance management. It is expected this kabupaten will receive assistance during the next Quarter.
- **The Province of Bangka Belitung, Sumatra** – YIPD/CLGI approached officials in Bangka Belitung, a new province on the island of Sumatra, after discussions with representatives from **Integre Quadro**, which made earlier contact with provincial officials. Since this is a new province, YIPD/CLGI is proposing to start with a program geared toward changing mind-set through change management training and assistance. A joint proposal will be prepared and discussed with the provincial representative in Jakarta.
- **Kabupaten Bojonegoro, East Java** – In line with the YIPD/CLGI-**ExxonMobil** agreement approved in December 2002, Center staff conducted a diagnostic review in Kabupaten Bojonegoro, East Java. The activity, which covered a period of six weeks, including a one-week site visit, involved interviews with the Bupati, the Vice Bupati, selected Heads of



Division (Kepala Dinas), Head of Bappeda, Sekda, and DPRD representatives. The Team also conducted separate focus group discussions (FGDs) with community and private sector representatives, and Heads of selected local government sub-divisions. The final report – Local Government Human Resources Diagnostic Review -- was submitted to ExxonMobil on 12 March. YIPD/CLGI will follow-up with ExxonMobil on a date for report presentation and future implementation work.

- **Kabupaten Teluk Bintuni & Kabupaten Manokwari, Papua** – Under the umbrella of the Bird's Head Alliance, part of USAID's Global Development Alliance, YIPD/CLGI submitted a proposal for Capacity Building for Building Local Capacity to **British Petroleum (BP)** for assistance to their Tangguh Project. The proposal suggests appropriate interventions in the Bird's Head kabupaten of Manokwari and Teluk Bintuni. In addition YIPD/CLGI proposed to partner with the University of Papua (UNIPA) and will focus on capacity building for local government officials in these two districts.
- **Kabupaten Kutai Timur, East Kalimantan** – YIPD/CLGI initiated contact with the President Director of **Kaltim Prima Coal (KPC)**. Company executives expressed interest in some of the services offered by the Center and, consequently, invited the Center's Executive Director to Sangatta, Kutai Timur, their area of operations, for a six-day visit. YIPD/CLGI is currently preparing a proposal addressing local government capacity strengthening that will be submitted to KPC management by the end of April 2003.
- **The City of Pontianak, West Kalimantan** – YIPD/CLGI, in collaboration with **Integre Quadro**, submitted a Change Management Training proposal to the city of Pontianak. In advancing the Center's approach in working with local governments, the city of Pontianak was requested to cover all training cost (including trainers' fees, transportation and accommodation). Although the Mayor approved the proposal, the Pontianak Training and Development Division (BKD) needed to review their budget, which was insufficient to cover all costs requested in the proposal.
- **Kabupaten Kutai Kartanegara, East Kalimantan** – The Center's Executive Director met with Mr. Dennis Heffernan of **Van Zorge, Heffernan and Associates**, to discuss possible collaboration, specifically exploring interventions in Papua and East Kalimantan. The Executive Director then attended a Van Zorge-sponsored presentation on Kabupaten Kutai Kartanegara, East Kalimantan. The guest speaker was Mr. Syaukani, Chairman of APKASI and Bupati of Kabupaten Kutai Kartanegara. The Executive Director was able to meet H. Bachruddin Noor, Chairman of Kutai's Kabupaten Planning Office (BAPPEDA) who was interested in knowing more about the Center and how it might be able to assist him in his planning and development efforts.
- **Kabupatens Paniai, Puncak Jaya and Jayawijaya, Papua** – Through a partnership initiated by **Citizens International** (a D.C.-based international development firm), YIPD/CLGI staff held a meetings with representatives from **Freeport** and explored ideas for assisting them with local government capacity strengthening issues in the highland kabupaten of Paniai, Puncak Jaya and Jayawijaya, Papua. A joint Citizens International-

YIPD/CLGI proposal was submitted to USAID's Global Development Alliance seeking additional funding. Financial contributors to this initiative include Freeport, a local Papuan foundation LPM-AK, YIPD/CLGI, and Citizens International.

- **Gulf-ConocoPhillips** – In another **Citizens International** initiative, YIPD/CLGI collaborated with representatives from Citizens International on a proposal to Gulf-ConocoPhillips. It is proposed a joint CI-YIPD/CLGI Team conduct an assessment of Gulf-ConocoPhillips' local government and socioeconomic development programs in their area of operations in Indonesia.
- **Talisman Energy** – In a third **Citizens International** partnership, YIPD/CLGI will participate in an assessment of Talisman's Indonesian operations, focusing on local government capacity building and socioeconomic development.
- **South & Central Kalimantan** – YIPD/CLGI's Executive Director attended the National Seminar of Community Development in the Mining Industry and was able to re-establish contact with representatives from **PT. Adaro**, one of the largest coal mining companies in Indonesia with operations in South and Central Kalimantan. Senior PT. Adaro officials expressed an interest in the Center's local government capacity strengthening activities and are expected to contact the Center to explore possible collaboration on local government issues in their area of operations in the two Kalimantan provinces.
- **Sulawesi** – YIPD/CLGI initiated implementation of activities in Sulawesi as per its agreement with **CIDA**. Request for Proposals (RFPs) complete with proposal forms were sent in mid-February to 15 selected regents/cities in Sulawesi. They were given an initial two weeks to submit their proposals. The deadline was extended twice first because the Center needed to respond to specific questions from the regions and second because of the local bureaucracy the RFP had to go through prior to approval. Through 31 March, four regions submitted their proposals -- kabupaten Sinjai, Sidenreng Rappang, and Jeneponto, and the City of Gorontalo. YIPD/CLGI is investigating why a majority of the local governments had difficulty in responding to the RFP, part of an internal evaluation to improve this innovative mechanism for soliciting interest on the part of local governments to participate in co-financed initiatives.

#### Financial Policy

- YIPD/CLGI staff contributed to the work of USAID Financial Policy Specialist on preparation of the "Primer For Local Government Capital Development Financing Through Market Based Mechanisms." Center staff attended socialization meetings for the Local Government Associations and provided input regarding the primer's logical flow, readability, emphasis, and link with previous government financial instruments. In discussions about the primer, YIPD/CLGI was interested in how the Center could best manage requests from local governments to reduce their indebtedness and strengthen credit worthiness.



## Evaluation and Mapping Studies

The Local Government Evaluation Specialist continued to work on several mapping and evaluation studies and related activities.

- YIPD/CLGI's Local Government Evaluation Specialist, working with a part-time assistant retained to help with the retrieval of information about local governments and donor activities, continued with the mapping study of Indonesian local governments and their best practices. Secondary data on donor activities in kabupaten/kota throughout Indonesia is being categorized and installed into an ACCESS Program. Over 250 entries of local government strengthening programs have been included in the database. The data was gathered from various Web sites including:

<http://www.gtzindonesia.org/project2.htm>; [http://www.gtzsfdm.or.id/a\\_about.htm](http://www.gtzsfdm.or.id/a_about.htm);  
<http://www.gtzsfgg.or.id/cas/about.htm>; <http://www.lgws.or.id/>;  
<http://www.worldbank.org/html/extdr/offrep/eap/inprojs.htm>;  
<http://www.undp.or.id/infoad/projects/index.asp>; <http://www.perform.or.id/pdpp>;  
<http://www.deliveri.org/frames/deliveri/default.htm>; <http://www.icma.or.id/>;  
<http://www.adb.org/Documents/CSPs/INO/2001/csp0200.asp>;  
<http://lnweb18.worldbank.org/eap/eap.nsf/2500ec5f1a2d9bad852568a3006f557d/f342ce243175816d47256c1a0015a2a0?OpenDocument>;  
<http://ibic.maying.com/en/oeco.php>;  
<http://www.indonesia-ottawa.org/economy/BILATERAL/BILATERALPROYEKRIKANANADA.html>;  
<http://www.adb.org/Documents/Profiles/LOAN/32103013.ASP>; [http://www.parul-led.or.id/project\\_document/PARUL%20Project%20Document.htm](http://www.parul-led.or.id/project_document/PARUL%20Project%20Document.htm);  
<http://www.adb.org/Business/Opportunities/not/inogpnsustainable.asp>;  
<http://www.dfait-maeci.gc.ca/jakarta/bilateral-i-en.asp>; <http://www.deliveri.org/default.htm>

Data has also been collected from USAID, Ford Foundation, World Bank/Indonesia Projects Briefs; World Bank/ILGR (Initiatives for Local Governance Reform); and World Bank/Provincial coverage of on-going and proposed projects. There is a need to encourage other donors to contribute to this study.

## Training Services

- YIPD/CLGI's Training Specialist resumed discussions with Institute for Housing and Urban Development Studies (IHS) to agree on the details of possible asset management training collaboration between YIPD/CLGI and HIS. Initial agreement was reached to reduce the duration of the training from a 10-day course to 5-days course. Training materials were also discussed and refined. Details on funding structure and a marketing plan still need to be work out carefully in order to achieve a collaboration that will be beneficial for both parties. The fist collaborative training is tentatively scheduled to take place in May. Kabupaten Sleman has confirmed its interest for this training. IHS will work to recruit more training participants. Sleman training materials were discussed, but details on funding structure and marketing plan still need to be worked.

- YIPD/CLGI's Training Specialist met with Risa Bhinekawati, the new Chief Operating Officer of the Partnership for Governance Reform in Indonesia (PGRI), who would like to know more about YIPD/CLGI. Discussed were funding proposal topics that would be most fitting with YIPD/CLGI's core competencies and also fit in with PGRI's key priorities.
- YIPD/CLGI's Training Specialist continued her discussion with Ms. Titik Sumbung, Director of the Indonesian Center for Women in Politics (ICWIP), the Planning Bureau of MOHA, Deputy on Gender Mainstreaming from MWE, and Mrs. Edriana and Rosalina from PGRI, in finalizing the training proposal to disseminate the "Making Governance Gender Responsive" concept to decision makers in the government with funding from the Partnership. YIPD/CLGI may co-fund the activity up to a maximum of 10%. The proposal was finalized and is awaiting MOHA Secretary General (Mrs. Siti Nurbaya) approval before submitting it to Partnership.
- YIPD/CLGI's Training Specialist followed up on collaboration with the Indonesian Association of Businesswomen (IWAPI) for training opportunities in increasing women productivity in the regions that will contribute to the local economy. YIPD/CLGI met Mrs. Rieny Ariono MSc, IWAPI's Education Director to discuss this in more detail. Very feasible training that may boost economic well being of women and their families includes "Teknologi Pangan dengan Sumber Lokal" where local fruits and vegetables are used to make jam, candies, supplemental flours etc. and sold in local markets.
- The Center's Training Specialist met with Ms. Lily Purba, CIDA's gender advisor. Discussed was CIDA's previous work on gender, specifically projects that involved government agencies such as Bappenas, various Ministries, etc., and inquired about the possibility of working with YIPD/CLGI on gender issues. Ms. Purba explained that CIDA's new policy is to ensure gender issues and perspective are incorporated in all their projects rather than developing specific gender projects. Ms. Purba reminded YIPD/CLGI to make sure that the YIPD/CLGI-CIDA collaboration in Sulawesi had a gender perspective.

#### Secretariat Function

- To provide more direction and focus to the process of collecting, analyzing and disseminating best practices, there were no meetings of the Best Practices Coordinating Group. Instead YIPD/CLGI hosted four meetings of the Best Practices Standards Group (POKJA). The first meeting clarified the purpose, methods, schedule, and responsibilities of the Group. The second, third, and fourth meetings reviewed the methods and standards in use by member organizations. The Center's Local Government Evaluation Specialist presented an overall plan for developing and disseminating best practices standards. The POKJA made progress on the first draft of best practices criteria, particularly for the programs focused on strengthening local government capacity in Indonesia. POKJA members also discuss their progress through the Center's mailing group [pokja\\_bp@yahoogroups.com](mailto:pokja_bp@yahoogroups.com). It is expected that the POKJA will produce a set of best practice standards as well as recommended best practices on local governments as a model for others in developing their innovative programs.



- YIPD/CLGI staff continued to compile best practices, good and best practices, and lessons learned in policy, management, and governance of local governments, as documented by various organizations, including NGOs, international development projects, and donors, i.e., the Local Government Associations, USAID (BIGG; PERFORM), GTZ (SfDM), World Bank (ILGR), UNDP (BUILD), JICA, AusAID, CIDA, and URDI. The Center now has 32 best practice programs from various sources on its Clearinghouse Web site. Additional examples of best practices are expected from APKASI and PERFORM. The POKJA expects to verify the best practices programs from its members through workshops, seminar, and field visits.
- The Local Government Participatory Planning Coordinating Group, where YIPD/CLGI serves as the Secretariat, did not hold any meetings during the Quarter.

#### Collaboration with Local Government Associations

- YIPD/CLGI's Director of Technical Services invited the local government associations to co-sponsor and participate in the forecast of future conditions that will impact local governments in Indonesia. APKASI, APPSI, and ADEKSI agreed to participate and sponsor the study. Their Executive Directors are serving on the panel of experts to be surveyed.
- YIPD/CLGI, as the Secretariat of the Local Government Associations Coordinating Group (LGA/CG), hosted a meeting to discuss the newly formed *Yayasan Inovasi Pemerintahan Daerah* (YIPD); best practices activities/documentation; major/significant donor-assisted Local Government Association activities since the last LGA/CG meeting; the rollout of the IULA Tool Kit for Local Government Associations; organizing joint meetings among the Executive Directors of the Local Government Association; and agreement on a LGA/CG meeting schedule for the remainder of 2003.
- YIPD/CLGI Staff met with the Executive Director of APKASI and some of his key staff to discuss this Association's non-routine (non-budgeted) activities for 2003. APKASI was looking for financial support from YIPD/CLGI. After reviewing their activities and events schedule for this year, it was agreed YIPD/CLGI would collaborate with APKASI in implementation on many of their proposed initiatives, including performance management, fiscal decentralization workshops and seminars, and best practices initiatives.

#### **Task 4. Communications**

##### Clearinghouse

The Center's Innovation and Best Practices Clearinghouse continued to develop through the following activities:

- The Center's Information Specialist/Librarian continued her work on document acquisition, cataloguing, circulation, specialized searches, bibliographic research, and operation for the YIPD/CLGI Clearinghouse. She also supervised the work of a part-time assistant, who is helping place content on the Web site. Currently there are 535 records in the Clearinghouse database. Daily news clippings are also collected from 40 different on-line media sources in Indonesia and are distributed to interested readers, including the Local Government Associations.

#### Newsletter

- Both the first edition (October-December 2002) and the second edition (January-March 2003) of the Center's newsletter, *Inovasi CLGI*, was designed, written, edited and printed. The first edition was published in both English and Indonesian while the second edition was published only in Indonesian. Newsletters were mailed to nearly 700 local governments, local government associations, foreign and domestic media, donors, local universities, regional libraries and NGOs. All YIPD/CLGI technical and professional staff members contributed articles. The Center's Evaluation Specialist and Information Specialist/Librarian published the newsletter under the guidance of the Director of Technical Services. The third edition will be published during April 2003.

#### Web site

- The Center's Web site <[www.clgi.or.id](http://www.clgi.or.id)> was extensively tested during this Quarter. A number of problems with navigation and uploading were solved, and the Web site is now fully functional. Content upload is the major activity at present.
- A team from the Local Government Initiative of the Soros Foundation in Budapest visited YIPD/CLGI and expressed interest in partnering with us through our respective Web sites. The LGI Web site, [www.logincee.org](http://www.logincee.org), contains an extensive library of materials on good governance and local government management, primarily in Europe. YIPD/CLGI could add content from Indonesia and Southeast Asia. These possibilities continue to be discussed.
- At the end of the Quarter, the Web site contained 32 best practices documents, data on 33 donor agencies, and complete addresses for 1,230 senior local government officials, 26 experts, and 192 links to various related sites.

### III. DELIVERABLES AND REPORTS

- The ACCESS Program -- Directory of Donors' Activities (organized by donor, kabupaten, kota, province, year of Project, implementation agency, and project status). **Contact Person: Azwar Hasan**





- Publication of the YIPD/CLGI Newsletter, "*Inovasi CLGI*", Edition 1, October – December 2002, English & Indonesian. **Contact Persons: Eko Susi Rosdiana Sari; Azwar Hasan**
- Publication of the YIPD/CLGI Newsletter, "*Inovasi CLGI*", Edition 2, January – March 2002, Indonesian. **Contact Persons: Eko Susi Rosdiana Sari; Azwar Hasan**
- YIPD/CLGI successfully entered into a contract/agreement with ExxonMobil for a diagnostic review of their Cepu operations, decentralization initiative in the East Java Kabupaten of Bojonegoro. **Contact Person: LeRoy Hollenbeck**
- YIPD/CLGI successfully entered into a contract/agreement with CIDA for a local government capacity building initiative for five local governments on the island of Sulawesi. **Contact Person: LeRoy Hollenbeck**

#### IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

Not so much problems or delays but rather points to ponder. The Project has reached its halfway point. Less than 17 months remain to transform YIPD/CLGI into a financially self-sufficient organization with professional staff developing innovations in support of strengthening critical aspects of decentralization and improving performance and service delivery of local governments to local communities.

The YIPD/CLGI Team has been successful in expanding opportunities for generating non-USAID funding. Should all of the partnership possibilities to date be realized, between US\$ 2.5 - 3.0 million may be available for use by YIPD/CLGI over the next three years. However, the fund raising process is never-ending. A significant level of effort has already gone into raising non-USAID funds with the entire YIPD/CLGI staff spending a substantial amount of time securing donor, local government and private sector commitments through proposal preparation and working with local governments to secure local counterpart contributions. The soon-to-be recruited national Executive Director will need to possess a high degree of skill and commitment to the process and will be required to demonstrate a comparative level of initiative for this necessary fund raising effort to be sustainable.

It is an appropriate time to initiate requests for an additional year or two of USAID funding to provide YIPD/CLGI the time needed to sustain its achievements. Because of the time and effort needed to raise funds, it is suggested USAID consider providing the Center an endowment sufficient to cover its operating expenses so that non-USAID funds can be utilized for financing innovative regional initiatives.

The continuation of the ordered departure as a consequence of the terrorist bombing in Bali on 12 October 2002 prevented the Project from bringing in short-term consultants. Street demonstrations related to the U.S. invasion of Iraq heightened security concerns within Indonesia, which to a degree, limited travel of staff.

There have been delays in stocking the Center's Clearinghouse and Web site with studies and reports that exist with YIPD/CLGI partner institutions. Although assurances have been given in the past that various USAID, UN, and other institutions would provide their materials to the Clearinghouse, they have generally

been slow to do so. A meeting of YIPD/CLGI with USAID/DLG has helped in this regard. While waiting for confirmation from the various donors, a partial solution has been adopted. YIPD/CLGI linked its web pages to the Web sites of donors that have appropriate material. Thus, YIPD/CLGI Web site users can discover such materials while visiting the Center's Web site, and then be routed directly to the appropriate pages on other Web sites.

YIPD/CLGI professional staff need to resolve the Clearinghouse issue of balancing resource availability with financial sustainability. It is expected that all divisions within the Center will be independent revenue centers generating income at least equal to expenditures. However, the ability of the Clearinghouse to accomplish this has always been an issue. Making available too much information at no cost generates no revenue. On the other hand, a resource center needs to make available sufficient information for local governments, the Local Government Associations and other users so that the Web site is in demand. Striking a proper balance will be a challenge for Center staff.

## **V. WORK PLANNED FOR NEXT REPORTING PERIOD**

The following activities are planned for implementation during the next Quarter.

### **Task 1. General Program Support Activities**

- There are no activities to report under this task.

### **Task 2. Foundation Development**

- YIPD/CLGI staff will focus on fully incorporating two additional professional staff from other USAID-funded projects that will reside in the YIPD/CLGI Office and become part of the Center's organization. These are the Education Specialist and the Decentralization Policy Analyst.
- YIPD/CLGI will finalize the legal establishment of the "sister" 501(c)(3) charitable organization in the U.S.
- The Best Practices Coordinating Group will continue its activities during the next Quarter, especially the compilation of best practices in local governments that are being prepared by BPCG members. YIPD/CLGI as the Secretariat will continue to host meetings.
- Recruitment will continue for the national Executive Director of the new Foundation for Local Government Innovation (YIPD).
- The Local Government Association Coordinating Group will intensify its activities during the next Quarter. YIPD/CLGI, as the Secretariat, will host regular meetings. Preparation for the rollout of the IULA Local Government Association Tool Kit will continue.



- The Local Government Participatory Planning Coordinating Group will focus its activities on compiling a donor matrix on participatory planning activities being implemented throughout the country. YIPD/CLGI, as the Secretariat, will host meetings of the group.
- YIPD/CLGI Boards will hold a series of Roundtable Discussions covering the topics of strengthening the relationship between the executive and legislative branches of government and regional financial management.

### **Task 3. Products and Services**

- Several studies will be completed during the next quarter: the local government mapping study will provide basic information about each of the now over 400 local governments of Indonesia; a targeted study of best practices will be made in local governments not currently receiving donor assistance; a forecasting and futures study will be completed and reviewed for future YIPD/CLGI work planning. The Jakarta Post has invited YIPD/CLGI to submit an article about the study. The Director of Technical Services will write the article. The study findings will also be circulated to partner institutions for their use in planning assistance activities to local governments.
- Performance measurement and improvement in the Solid Waste Management Service of Pontianak will be completed. At that time a decision will be made as to whether to extend YIPD/CLGI assistance to other units of the City government.
- The experience gained in Pontianak will enable YIPD/CLGI staff to complete the training designs and training for performance management using examples from Indonesian experience.
- Advanced asset management training in Sleman will be delivered to Kabupaten staff and other local governments.
- YIPD/CLGI will continue implementation of decentralization activities/initiatives in Sulawesi under the CIDA agreement and with the various private sector partners.
- YIPD/CLGI will expand its focus on partnering with the private sector. Implementation of activities is expected to start with BP and Freeport in Papua and KPC in East Kalimantan. YIPD/CLGI will also strengthen its collaborative relationship with Citizens International.
- YIPD/CLGI's Local Government Financial Management Specialist will continue to work more intensively with USAID's BIGG Project staff as they expand their performance budgeting training activities.
- YIPD/CLGI's Local Government Management Specialist will continue to work more intensively with USAID's PERFORM Project staff as they expand their PDPP training activities.

- Training in Change Management will be provided to the City of Pontianak.
- Gender Responsiveness training will be offered.

#### **Task 4. Communications**

- The YIPD/CLGI Web site and Database will be opened to users engaged in assisting local governments and others interested in good governance and local government policy and management. Content of all types will be added to make the Web site a useful source of ideas, models, methods, cases, guidelines, and evaluations of innovations and best practices for local government in Indonesia.
- The Local Government Information Specialist/Librarian will continue to administer the YIPD/CLGI library and Web site including the following activities: (a) acquire, label and stock Clearinghouse shelves with innovation and best practice documents and administer their use; (b) copy and mail documents to customers; (c) edit and upload materials to the Web site; and (d) publish the quarterly editions of the YIPD/CLGI Newsletter. She will respond to requests for mailed publications and manuscripts.
- YIPD/CLGI will host another visit of the Soros LGI team to discuss partnership between its Web site and the Center's.

### **VI. SPECIFIC ACTION REQUESTED**

There is a need for UI to accelerate the process of entering into a sub-contractual relationship with YIPD/CLGI. It is critical that prior to the end of Year 2 (October 2003) YIPD/CLGI has the ability to independently enter into direct sub-contracts with local NGOs, local universities, international donors, and the private sector for provision of professional services. YIPD/CLGI also needs to be in a position to generate its own employment agreements with its long-term staff when each of their current Urban Institute or Chemonics agreements expires. The latter is critical since YIPD/CLGI, as a legal Indonesian foundation, is now subject to paying employee withholding tax to the Indonesian Government.

### **VII. UP TO DATE SCHEDULE OF WORK**

Although this is a new section for the SUM IQC Quarterly Report, while waiting for final agreement on a standard format/chart tracking and comparing actual results to the desired outcomes established in the Task Order work plan, the format used in previous quarterly reports is presented below.



### Task 1. General Program Support Activities

No.	Activities	Deadlines	Responsible Parties	Benchmarks
1.	<u>DFLGIP Semi-Annual Work Plan Review (Year 2)</u>	Apr-May '03	YIPD/CLGI Staff, DLG/USAID, Associations, other stakeholders	Updated Year 2 Work Plan
2.	<u>DFLGIP Annual Report/Work Plan Update (Year 2)</u>	Oct '03	YIPD/CLGI Staff, DLG/USAID	Revised Work Plan for 2003/2004 (Year 3)
3.	<u>Internal USAID Evaluation</u>	Oct-Nov '03	DLG/USAID, YIPD/CLGI Staff	Revised Work Plan for 2003/2004 (Year 3)
4.	<u>DFLGIP Year 3 Work Plan Preparation/Approval</u>	Sep-Nov '03	YIPD/CLGI Staff & Board Members, DLG/ USAID	Year 3 Work Plan prepared; approved by USAID
5.	<u>DFLGIP Semi-Annual Work Plan Review (Year 3)</u>	Apr-May '04	YIPD/CLGI Staff, DLG/USAID, Associations, other stakeholders	Updated Year 3 Work Plan
6.	<u>DFLGIP Annual Report/Work Plan Update (Year 3)</u>	Jul-Aug '04	YIPD/CLGI Staff, DLG/USAID	Project Closeout

### Task 2. Foundation Development

No.	Activities	Deadlines	Responsible Parties	Benchmarks
7.	<u>Recruit Foundation Executive Director</u>	Aug/Sep '03	YIPD/CLGI Board Members, YIPD/CLGI Staff	National Executive Director recruited
8.	<u>Review Organization Development Plan</u>	Apr-Jun '03	YIPD/CLGI Staff	Plan produced
9.	<u>Foundation Staff Training</u>	Mar-Dec '03	Training Specialist	Participant & Instructor Evals.
10.	<u>Prepare Resource Development Plan (Business Plan) Incl. budget centers</u>	May-Sep '03	YIPD/CLGI Staff	Plan produced
11.	<u>Establish "Sister" Foundation in U.S.</u>	Jan-Jun '03	Executive Director; UI-D.C.; Chemonics PMU;	501c3 charitable org. established
12.	<u>Expand Networking Activities</u>	Apr-Jun '03	YIPD/CLGI Staff	Strengthened collaboration leading to concrete partnerships

### Task 3. Products and Services

No.	Activities	Deadlines	Responsible Parties	Benchmarks
13	<u>Innovations</u> Performance Mgmt and Asset Mgmt Innovation Projects concluded in Sleman & Pontianak; new innovation projects begin	Apr-Dec '03	Technical Services Director, Management and Finance Specialists, plus selected expert consultants	Documents describing the services and implementation plan for selected local governments
14	<u>Certification Training</u> Training program in Performance Mgmt for local governments and their associations leading to certification	Jul '03	Technical Services Director, Training Manager, plus selected expert consultants	Training designs and materials, in Indonesian, with formative evaluation reports
15	<u>Private Sector Initiative/Partnerships</u> ExxonMobil-Bojonegoro BP-Papua KPC-E. Kalimantan Freeport-Papua ConocoPhillips-Java Talisman-Java	Mar-Dec '03	Executive Director, Finance, Management, and Training Specialists	Report containing assessment and recommendations for local government capacity building programs
16	<u>CIDA-Sulawesi</u> Collaborative project to assist 5 local governments in Sulawesi on general and financial management topics	Apr-Dec '03	Executive Director, Finance, Management, and Training Specialists	Documents describing the services and implementation plan for selected local governments
17	<u>Mapping study</u> Mapping of Local Government officials' capability building needs	Jan-Dec '03	Evaluation Specialist	Complete database on local governments



#### Task 4. Communications

No.	Activities	Deadlines	Responsible Parties	Benchmarks
18.	<u>Acquisition of Information</u> Collect information on local government innovations and best practices, expert consultants and organizations, and donors.	Jan-Aug '04	Technical Services Director; Information Specialist; cooperating local government association staff	Appropriate reference materials plus directories and cross indexes for database
19.	<u>Clearinghouse Trial Use, Formative Evaluation</u>	Dec '02-Apr '03	Information Specialist; user groups	Formative evaluation report
20.	<u>Final Preparation and Formal Inauguration of Clearinghouse</u>	May '03	Technical Services Director; Information Specialist; user groups	Inauguration Ceremony
21.	<u>Newsletter</u> Third issue Foundation Quarterly Newsletter	Apr '03	Technical Services Director; Information Specialist; Evaluation Specialist	Third edition Newsletter



## **ATTACHMENT**

### **Reports, Papers, Publications**





## Reports, Papers Publications

1. Center for Local Government Innovation, *Kajian Hukum Terhadap Pelaksanaan Otonomi Daerah Menurut Undang-Undang 22/1999*, September 2002.
2. Center for Local Government Innovation & APKASI, *Presentasi Hasil Kajian Dana Alokasi Umum (DAU)*, 8 August 2002.
3. Citizens International and YIPD/CLGI, *GDA Concept Paper: Regional Foundation for Health, Education and Economic Development in Indonesia's Central Highlands of Papua*, March 2003.
4. Citizens International and YIPD/CLGI, *Proposal to Gulf-ConocoPhillips*, March 2003.
5. Citizens International and YIPD/CLGI, *Proposal to Talisman Energy Inc.*, March 2003.
6. Hasan, Azwar, *Bureaucracy Reform Through Local Government's Employee Selection Process*, *Bisnis and Birokrasi Journal*, University of Indonesia, Jakarta, February 2003.
7. Hasan, Azwar, *Review of Legal, Administrative and Tax Aspects in Nonprofit-oriented Organizations in Indonesia (English and Indonesian)*, January 2002.
8. Hollenbeck, LeRoy, "Sustaining a Competitive Advantage in a Decentralized & Global Environment: Partnerships and Innovation", paper presented at the *Rapat Pimpinan Daerah, Rapat Kerja Kadin Sul-Sel 2002 dan Diskusi Panel Sulawesi Selatan "Hari Ini dan Esok"*, Makassar, 7 September 2002.
9. Juliani, S., *Assessment of Legal, Administrative, Financial and Other Relevant Aspects of Indonesian Organizations as Input Toward the Formation of a Center for Local Government Innovations (English and Indonesian)*, January 2002.
10. Madanika Foundation, "Report of Focus Group Discussions in the City of Pontianak", August 2002.
11. Madanika Foundation, "Report of Multiservice Household Survey in the City of Pontianak", September 2002.
12. Utomo, Arintoko, "Alternative Tax Strategies for Local Government", a presentation for '*Seminar on Law 34/99 (Local Tax and User Charge)*' held by Regional Autonomy Watch on August 22' 2002, Horizon Hotel, Bekasi.
13. Utomo, Arintoko, "Initiatives to Improve Local Government Revenue Through Better Property Asset Management", an article for September '02 edition of magazine '*Forum Inovasi dan Ketatapemerintahan yang Baik*' (MPP program - Univ. of Indonesia).

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14. Utomo, Arintoko, "Initiatives to Improve Local Government Revenue Through Better Property Asset Management", an article for March '03 edition of the magazine *Bujet*, published by the Bandung Institute of Governance Studies.
  15. YIPD/CLGI, Assistance for Decentralization Efforts: A Proposal for a Diagnostic Review of ExxonMobil's Cepu Area of Operations, October 2002.
  16. YIPD/CLGI, *Inovasi CLGI*, Edition 1, October–December 2002, English & Indonesian, January 2003.
  17. YIPD/CLGI, Final Report Human Resources Assessment/Diagnostic Review, Kabupaten Bhonegoro, East Java, March 2003.
  18. YIPD/CLGI, Capacity Building for Building Local Capacity -- A Proposal for BP -- Tangguh, Papua, March 2003.
  19. YIPD/CLGI, *Inovasi CLGI*, Edition 2, January–March 2002, Indonesian, March 2003



## **ATTACHMENT**

### **Tables/Charts**

**Table 1.**  
**YIPD/CLGI INVENTORY LIST**

No.	Description	Model	Unit
<i>Computer Equipment</i>			
1	Desktop	Compaq Deskpro	2
2	Desktop	Compaq Presario	8
3	UPS	APC BP 500i	11
4	Printer	Laserjet 1000	3
5	Printer	Laserjet 1200	1
6	Printer	Deskjet 920CXI	1
7	Portable Printer	HP 350 CBI	1
8	Notebook	Compaq	2
9	Notebook	Compaq EVO N110	1
10	Notebook	IBM Thinkpad R31	2
11	Notebook battery	Compaq Presario	1
12	Notebook battery	Compaq EVO N110	1
13	Scanner	HP 5400	1
14	Cable Modem	D - Link DCM 200	1
15	Printer Server	D - Link DP101	1
16	Broadband Router	USR 800	1
17	Switch 16 Port	D-Link	1
18	Ethernet Card		1
19	Server	HP TC2110	1
20	Memory Card	512 MB SD	1
21	Modem	ADSL	1
<i>Furniture</i>			
1	Manager's Chair		11
2	Secretary's Chair		2
3	Meeting Chair		28
4	Student's Chair		25
5	Clearinghouse Chair		12
6	Working Desk		15
7	Mobile Drawer		6
8	Meeting Table		2
9	Side Table		9
10	Computer Desk		5
11	Bookshelf		7
12	Filling Cabinet	4 drawers	7
13	Filling Cabinet	2 drawers	1
14	Bookrack		3
15	Hanging Bookrack		14
16	Panel/partition		6



No.	Description	Model	Unit
<i>Air Conditioner</i>			
1	Air Conditioner	Eolia 1.5HP	2
2	Air Conditioner	Eolia 1HP	1
3	Air Conditioner	National 1HP	2
<i>Phone</i>			
1	PABX	Panasonic TA - 616	1
2	Telephone Display	Panasonic KX - T7330	3
3	Telephone Standard	Panasonic KX - T7350	6
4	Telephone Single Line	KX - TS3MX	6
5	Cellphone	Motorola 7689	1
6	Cellphone	Motorola 189	1
7	Cellphone	Motorola T190	1
8	Cellphone	Nokia 5110	1
9	Cellphone	Nokia 3310	1
<i>Other</i>			
1	Fax Machine	Panasonic KXF P 302CX	1
2	Infocus	LP-280	1
3	Typewriter	Brother	1
4	TV	Sony 29"	1
5	Digital Camera	Nikon Coolpix 5000	1
6	Flip Chart		4
7	White Board		5
8	Portable Screen		1
9	Cash box		1
10	Brandkast (Safe)	Royal	1
11	Refrigerator	LG GR-232DV	1
12	Microwave	Usatech	1
13	Rice Cooker	Miyako	1
14	Blender	Miyako	1
15	Dining Table		1 set
16	Stove		1
17	Gas Tank		2
18	Regulator		1
19	Dishes	2 tea set, 1 dinner set,	